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# A Financial Wizard at The Star's Helm

First of two articles

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Joe L. Allbritton, self-made millionaire, professed idealist and widely acclaimed financial wizard, has arrived in Washington in the role of savior. He gives himself roughly three years, with a combination of cash and entrepreneurial alchemy, to make The Washington Star pay its own way.

The affable but hard-nosed publisher says that "three years from now my ambition to save The Star will have to be weighed against the economic interests involved. I know that if I turn The Star around it will be worth the money (invested) and the money will be there (to operate it)." But, he added, it will never be a really significant property economically.

If that prediction turns out to be true, it may be the first time in almost 20 years that Allbritton has failed to make a substantial profit from an investment.

By the age of 33 Allbritton, of D'Lo, Miss., had made his first \$1 million. Now, at 50, many tens of millions of dollars later, he can insure you and bury you. He might be your banker, your broker or your hotel-keeper.

In the past, without notable exception, his brand of enterprise has turned base companies into gold. But in the case of The Star purchase, which a long-time Allbritton friend and adviser called "one of the worst deals I've ever seen from a business point of view," his acquaintances and associates are asking "whether he hasn't bitten off more than he can chew."

More than anything else, success depends on a decision from the Federal Communications Commission that will permit the parent company of The Star to continue operating its three broadcasting outlets in the metropolitan area, which in turn will provide a sufficient corporate cash flow to support the newspaper.

There are alternatives should the FCC rule against The Star such as a trade-off for broadcast facilities in another market, but Allbritton said in a recent interview that he would not relish the idea of operating radio and television stations in another city. "You don't trade stations like baseball cards or bubble gum wrappers," he said.

Allbritton has a substantial investment in The Star at this point, but it would not preclude his pulling out immediately should the FCC rule against him.

By his own accounting, he has acquired \$5 million worth of stock, spent about \$2 million on research and other costs connected with the purchase and sent the paper \$5 million for operating expenses, which has already been ex-

hausted. He has an option to buy an additional \$15 million worth of stock.

He is adamant about his commitment to the newspaper, which he insists is more than financial, but he also says, "I thought, and I still think, that if you can get the economics of this paper on an even keel, and if you can get the broadcast facilities on a consolidated basis, the whole thing could be an attractive financial package."

Allbritton said that The Star would "not attempt to compete head-on with The Washington Post. Even if we succeed with it (putting The Star on a sound financial footing)," he said, "we will always be the second paper in town. An afternoon paper can't really compete with a morning paper."

"There's still a place for a locally oriented newspaper, though. We've closed our European and Hong Kong bureaus. It doesn't make sense for The Star to be an international newspaper. We'll cover national news because that's the news generated in our town, but we won't send a reporter with Kissinger every time he takes a trip. We can't be all things to all people. Economics won't permit it."

James Bellows, the new editor of The Star, said he thinks there should be "less of a barrier between local and national news," suggesting that they can be intermingled in one story, "the way The Wall Street Journal does it."

What kind of a man is the new publisher of The Star?

Jack Kauffmann, former publisher of The Washington Star calls Allbritton "a tough little sonofabitch," and almost succeeds in making it sound like a term of praise, admiration, even endearment.

Sen. Edmund S. Muskie (D-Maine), whom Allbritton supported for President in 1972, says he is "what I would call a good friend. He's thoughtful, considerate, and good company. Lot's of things besides business."

Says Allbritton of Muskie: "He listens when you talk. Have you ever tried to get Hubert Humphrey to listen?"

Leon Jaworski, Allbritton's friend and lawyer for many years, says "He's just a dynamo—a tremendously friendly individual who has the knack of selling himself to people. He moved along very fast because his business judgment was very good."

There is nothing in Allbritton's public statements to suggest that he does not believe he has a good shot at making a profit out of The Star venture. He is a hard-nosed businessman who says things like "I buy on terms, but I sell for cash."

Profit does not appear to have been the only motive in The Star deal—despite the fact that Allbritton is reported to have only told area advertisers recently that "You and I are driven by the same purpose—greed."



Associated Press

Joe L. Allbritton gives self three years to do job.

A number of people who know him fairly well—it's not clear that anybody knows him really well—contend that he had reached a "plateau" in his business career and that he is looking for new vistas. Jaworski says he thinks Allbritton did it because "it offered a real challenge. I've never seen Joe walk away from a real challenge."

With a trace of humor, Allbritton said that one of the things that appealed to him most about becoming a publisher was that he felt compelled to declare himself independent and constrained not to make contributions to candidates of either party.

His political interests date from his youth, when he handed out bumper stickers for a young Texas congressman named Lyndon Johnson. Allbritton has supported various candidates, mostly Democrats, including Muskie, former Gov. Edmund G. (Pat) Brown (D-Calif.), Rep. Barbara Jordan (D-Tex.) and Sen. Lloyd Bentsen (D-Tex.).

As for public service, Allbritton used the following analogy about the importance of keeping The Star alive: "Sure I'd like to be the only bank in Houston, but it wouldn't be good for Houston and it probably wouldn't be good for me." He contends that there is a compelling need for two newspapers in the nation's capital.

His involvement with The Star came about through a series of fortuitous events that began in late 1971 when he met Muskie, who was then seeking the Democratic nomination for President, and Muskie's top campaign aide, Berl Bernhard.

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